

# HOUSE . . . . . No. #####

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## The Commonwealth of Massachusetts

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DEVAL L. PATRICK  
GOVERNOR

TIMOTHY P. MURRAY  
LIEUTENANT GOVERNOR

EXECUTIVE DEPARTMENT  
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March 1, 2007.

To the Honorable Senate and House of Representatives:

I am filing today for your consideration a bill entitled "An Act Providing For The Immediate Capital Improvement Needs Of The Commonwealth." This legislation authorizes the Commonwealth to issue up to \$1,469,500,000 in general obligation bonds to fund the following immediate capital needs of the Commonwealth:

- \$809.4 million for improvements to our highways and bridges, which will secure an additional \$985.6 million of federal grants;
- \$250 million for a new, state-of-the-art psychiatric hospital in Worcester to replace two obsolete state hospitals;
- \$125 million for critical repairs needed at state office buildings, higher education facilities, jails, medical examiner's offices, state hospitals and other facilities;
- \$100 million for the initial phase of certain mass transit improvements required as a part of the State Implementation Plan;
- \$94.9 million for information technology improvements for the Commonwealth;
- \$60 million for Chapter 90 grants to cities and towns for road and bridge projects, which, together with existing bond authorization, will fund \$150 million of such grants in fiscal year 2008;
- \$16.5 million for state police cruisers and related equipment;
- \$9.7 million for the state match required to receive over \$90 million of federal grants for local water and sewer projects funded through the water pollution abatement trust; and
- \$4 million for urban self-help grants, community preservation planning grants, the statewide air monitoring network and the closure of solid waste facilities.

This bond bill is limited in scope to the immediate capital needs of the Commonwealth. Each of the authorizations requested provides funds for projects that meet one or more of the following criteria: (a) secures significant federal funding; (b) addresses critical repairs and/or safety concerns; (c) funds projects that have already started or that were planned to start and thereby

avoids significant inflationary cost increases that would otherwise result from further delay; (d) supports standard capital programs that would otherwise be stopped and result in significant disruptions; (e) proceeds with legally mandated projects; and (f) implements projects needed to improve government efficiency and accountability.

This bond bill includes no new capital spending initiatives of the Patrick-Murray Administration. We will be working over the next few months to develop our own five-year capital spending plan for the Commonwealth. In July, we plan to file comprehensive bond bills to fund our five-year capital program.


In addition to the capital borrowing authorizations described above, this bond bill includes the following financing authorizations and technical amendments:

- authorization to issue bonds for a maximum term of 30 years instead of 20 years to better align the term of financing with the useful life of the financed assets and thereby spread the cost of certain projects more fairly among the taxpayers who will benefit from their use;
- authorization to issue bonds to refinance certain contract assistance and lease payment obligations of the Commonwealth which will result in significant annual savings;
- authorization to issue bonds to finance certain cash-funded capital projects and to use the unexpended cash to pay off high interest bonds of the Commonwealth which will result in significant annual savings; and
- technical amendments to the 1988 statute providing for the allocation of private activity bond volume cap by the secretary of administration and finance to make the statute consistent with recent changes in federal tax law and to clarify the allocation process.

In light of the immediate capital needs addressed by this bill and the opportunity to generate significant savings for the Commonwealth in today's market pursuant to the financing authorizations in this bill, I am respectfully requesting that you take prompt action to enact this bill. Specifically, I am asking that the bill be enacted prior to April 1, 2007, the date by which I am required by law to give cities and towns notice of their Chapter 90 grants for fiscal year 2008. Without the requested bond authorization for Chapter 90 grants in this bill, I will be required to advise cities and towns that their grant amounts will be significantly reduced from prior years.

Thank you for your prompt consideration of this bill.

Respectfully submitted,



DEVAL L. PATRICK,  
*Governor.*

## The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

### AN ACT PROVIDING FOR THE IMMEDIATE CAPITAL IMPROVEMENT NEEDS OF THE COMMONWEALTH

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to provide forthwith for the immediate capital improvement needs of the commonwealth, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

SECTION 1. To provide for a program of capital facility repairs and improvements and for a program of transportation development and improvements, the sums set forth in sections 2, 2A and 2B for the several purposes and subject to the conditions specified in this act are hereby made available, subject to the laws regulating the disbursement of public funds, which sums are in addition to any other amounts previously appropriated for these purposes.

#### SECTION 2.

#### **OFFICE OF THE TREASURER AND RECEIVER – GENERAL.**

*Department of the Treasurer*

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|-----------|--|-------------|
| 0610-2365 | For the water pollution abatement trust established by section 2 of chapter 29C of the General Laws for deposit in the Water Pollution Abatement Revolving Fund established by section 2L of chapter 29 of the General Laws for application by the trust to the purposes specified in section 5 of said chapter 29C, any portion of which may be used as a matching grant by the commonwealth to federal capitalization grants received under Title VI of the federal Clean Water Act. | \$3,800,000 |
| 0610-8910 | For the water pollution abatement trust established by section 2 of chapter 29C of the General Laws for deposit in the Drinking Water Revolving Fund established by section 2QQ of chapter 29 of the General Laws for application by the trust to the purposes specified in section 18 of said chapter 29C, any portion of which may be used as a matching grant by the commonwealth to federal capitalization grants received under the federal Safe Drinking Water Act..             | \$5,900,000 |

#### **EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE**

*Division of Capital Asset Management and Maintenance*

- 1102-1994 For costs associated with planning and studies, the preparation of plans and specifications, repairs, construction, renovations, improvements, asset management, dispositions and demolition of or to state owned and former county facilities and grounds, including, but not limited to, the costs of engineering and other services essential to these projects rendered by division of capital asset management and maintenance employees or by consultants; provided, that amounts expended for division employees may include the salary and salary-related expenses of these employees to the extent that they work on or in support of these projects . \$125,000,000

*Information Technology Division*

- 1790-2015 For costs associated with planning and studies, the preparation of plans and specifications, purchase, and procurement of information technology related equipment and related projects \$75,000,000
- 1790-2016 For a new statewide performance management system to enable all state agencies and departments to manage their performance by leveraging the vast amount of data that resides in numerous agency applications; provided, that this performance management system shall provide a single platform for reporting, analysis, scorecards, dashboards, event management and business intelligence search services to allow analysts and decision makers to quickly understand, manage and improve their respective operations; provided further, that the performance management system shall allow users to access a single application providing transparency of operational performance, raising program effectiveness, reducing costs, identifying risks and ensuring organizational accountability \$15,000,000
- 1790-2017 For costs associated with planning and studies, the preparation of plans and specifications, purchase, and procurement of information technology related equipment and related projects for the office of the attorney general \$4,900,000

**EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS**

*Office of the Secretary*

- 2000-2014 For the urban self-help program to provide assistance to cities and towns in the acquisition of land and construction and restoration of parks and recreation areas under chapter 933 of the acts of 1977 and any regulations promulgated by the secretary of energy and environmental affairs to effect this act or said chapter 933; provided, that notwithstanding any general or special law to the contrary, the title to any land acquired with the funds authorized by this item

which is no longer used under said chapter 933 as open space shall revert to the commonwealth to be managed as open space; provided further, that funds may be expended from this item for the costs of services essential to these projects rendered by agency employees or by consultants; provided further, that amounts expended for agency employees may include salary and salary related expenses of these employees to the extent that they work on or in support of these projects \$1,700,000

2000-2021 For the development and support of local, regional, and state planning and land management capabilities in support of community preservation efforts, including but not limited to, the development of municipal open space and recreation plans and watershed-wide land conservation plans, and to facilitate coordination of the various land acquisition and development programs under the jurisdiction of the executive office of energy and environmental affairs, and for outreach and education concerning principles of community preservation; provided, that funds may be expended on alternative future analyses based on projected buildouts for commonwealth communities or watersheds; provided further, that the secretary of energy and environmental affairs may provide grants to, including but not limited to, municipalities, regional planning agencies, and other public and non-public entities to implement said programs; provided further, that funds may be expended from this item for the costs of services rendered by agency employees or by consultants; provided further, that amounts expended for agency employees may include salary and salary related expenses of these employees to the extent that they work on or in support of these projects \$450,000

*Department of Environmental Protection*

2200-2012 For operation and maintenance of the department of environmental protection's statewide air monitoring network, including but not limited to, photochemical assessment monitoring stations, small particulate and air toxics monitoring; and for the upgrade of equipment to comply with federal requirements \$350,000

2200-2013 For the purposes of discovery, assessment, containment, clean-up, and closure of existing or closed solid waste facilities causing or threatening to cause pollution as authorized by section 4 of chapter 21H of the General Laws; provided, that funds authorized by this item may be used for the purposes of maintaining composting and recycling programs consistent with the statewide solid waste master plan authorized by section 21 of chapter 16 of the General Laws, including the costs of experts, engineers, and

other personnel previously authorized under chapter  
584 of the acts of 1987 \$1,500,000

### **EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES**

#### *Department of Mental Health*

5500-9405 For costs associated with planning and studies, design, the preparation of plans and specifications, development, construction, renovation, reconstruction, alteration, improvement, demolition and site preparation for a new inpatient facility for clients of the department of mental health and other persons with mental illness who require hospitalization or continuing care in a hospital setting at the site of the current department of mental health facility located in the city of Worcester, all as the commissioner of capital asset management and maintenance, in consultation with the commissioner of mental health, considers appropriate, including, but not limited to, the costs of engineering and other services essential to this project rendered by division of capital asset management and maintenance employees or by consultants; provided, that amounts expended for division employees may include the salary and salary-related expenses of these employees to the extent that they work on or in support of these project costs \$250,000,000

### **EXECUTIVE OFFICE OF PUBLIC SAFETY**

#### *Department of State Police*

8000-2010 For the design, construction, and implementation of the department of state police mobile data network and an automated motor vehicle citation system, including the use of "MDT" devices..... \$4,500,000

8100-0004 For the replacement of state police cruisers \$12,000,000

### **EXECUTIVE OFFICE OF TRANSPORTATION AND PUBLIC WORKS**

#### *Office of the Secretary*

6001-0708 For the Fairmount Line project, the commuter transit facility parking project, the Red Line/Blue Line connector design project and the Green Line extension to Medford Hillside and Union Square spur project, all as further described and as provided in 310 CMR 7.36, as appearing in the December 1, 2006 Massachusetts Register \$100,000,000

#### **SECTION 2A.**

### **EXECUTIVE OFFICE OF TRANSPORTATION AND PUBLIC WORKS**

#### *Department of Highways*

6033-0715 For federal aid projects on the interstate federal highway system; provided, that funds may be

expended for the costs of these projects including, but not limited to, the nonparticipating portions of these projects and the costs of engineering and other services essential to these projects rendered by department of highways employees or by consultants; provided further, that amounts expended for department employees may include the salary and salary-related expenses of these employees to the extent that they work on or in support of these projects; provided further, that, notwithstanding any general or special law to the contrary, including any other provision of this act to the contrary, the department shall not enter into any obligations for projects which are eligible to receive federal funds under this act unless state matching funds exist which have been specifically authorized and are sufficient to fully fund the corresponding state portion of the federal commitment to fund this obligation; and provided further, that the department shall only enter into obligations for those projects under this act based upon a prior or anticipated future commitment of federal funds and the availability of corresponding state funding authorized and appropriated for this use by the general court for the class and category of project for which this obligation applies. \$20,000,000

- 6033-0716 For federal aid projects on the non-interstate federal highway system; provided, that funds may be expended for the costs of nonparticipating portions of these projects; provided further, that notwithstanding any general or special law to the contrary, including other provisions of this act to the contrary, the department of highways shall not enter into any obligations for projects which are eligible to receive federal funds under this act unless state matching funds exist which have been specifically authorized and are sufficient to fund the corresponding state portion of the federal commitment to fund this obligation; provided further, the department shall only enter into obligations for those projects under this act based upon the prior or anticipated future commitment of federal funds and the availability of corresponding state funding authorized and appropriated for this use by the general court for the class and category of project for which this obligation applies; provided further, that expenditures from this item may include the costs of engineering and other services essential to these projects rendered by department employees or by consultants; and provided further, that amounts expended for department employees may include salary and salary-related expenses of these employees to the extent that they work on or in support of these projects \$1,100,000,000

#### SECTION 2B.

**EXECUTIVE OFFICE OF TRANSPORTATION AND PUBLIC WORKS***Department of Highways*

- 6033-0717 For the design, construction, and repair of or improvements to nonfederally-aided roadway projects and for the nonparticipating portion of federally aided projects; provided, that expenditures from this item may include the costs of the purchase, leasing and rehabilitation of heavy and light equipment necessary for these projects, including highway maintenance fleet equipment, in addition to parts for this durable equipment; provided further, that expenditures from this item may include the costs of engineering and other services essential to such projects rendered by department employees or by consultants; and provided further, that amounts expended for department employees may include salary and salary-related expenses of these employees to the extent that they work on or in support of these projects \$675,000,000
- 6033-0798 For the construction and reconstruction of town and county ways as described in subclause (a) of clause (2) of the first paragraph of section 34 of chapter 90 of the General Laws; provided that a city or town shall comply with the procedures established by the department of highways; provided further, that any such city or town may appropriate for these projects amounts not in excess of the amount provided to the city or town under this item preliminary notice of which shall be provided by the department to the city or town no later than April 1 of each year; provided further, that the commonwealth shall reimburse any such city or town under this item within 30 days after receipt by the department of a request for reimbursement from the city or town, which request shall include certification by the city or town that actual expenses have been incurred on projects eligible for reimbursement under this item, and that the work has been completed to the satisfaction of the city or town according to the specifications of the project and in compliance with applicable laws and procedures established by the department. \$60,000,000

SECTION 3. The second paragraph of section 2 of chapter 211 of the acts of 1988 is hereby amended by striking out the third and fourth sentences.

SECTION 4. Said chapter 211 is hereby further amended by striking out section 4 and inserting in place thereof the following section:-

Section 4. The secretary may provide for the carryforward of any unused portion of the remaining annual state ceiling assigned or reassigned to the commonwealth by allocating the unused portion of the state ceiling to one or more issuers of private activity bonds within the state for any bonds eligible for a carryforward of state ceiling under the applicable provisions of the Internal Revenue Code.



SECTION 5. Section 5 of said chapter 211 is hereby amended by striking out the second sentence.

SECTION 6. To meet the expenditures necessary in carrying out section 2, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, \$600,100,000. All these bonds issued by the commonwealth shall be designated on their face, Capital Expenditure Act of 2007, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All these bonds shall be payable not later than June 30, 2042. All interest and payments on account of principal on these obligations shall be payable from the General Fund. Bonds and interest thereon issued under this section shall, notwithstanding any other provisions of this act, be general obligations of the commonwealth.

SECTION 7. To meet a portion of the expenditures necessary in carrying out section 2A, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, \$134,400,000. All these bonds issued by the commonwealth shall be designated on their face, Highway Improvement Loan Act of 2007, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All these bonds shall be payable not later than June 30, 2042. All interest and payments on account of principal on these obligations shall be payable from the Highway Fund. Bonds and interest thereon issued under this section shall, notwithstanding any other provisions of this act, be general obligations of the commonwealth; provided, however, that any bonds issued by the state treasurer under this section shall, upon the request of the governor, be issued as special obligation bonds pursuant to section 20 of chapter 29 of the General Laws. In deciding whether to request the issuance of particular bonds as special obligations the governor shall take into account: (i) generally prevailing financial market conditions; (ii) the impact of each approach on the overall capital financing plans and needs of the commonwealth; (iii) any ratings assigned to outstanding bonds of the commonwealth and any ratings expected to be assigned by any nationally-recognized credit rating agency to the bonds proposed to be issued; and (iv) any applicable provisions of chapter 29. All special obligation revenue bonds issued under this section shall be designated on their face, Special Obligation Revenue Highway Improvement Loan Act of 2007 and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All these bonds shall be payable not later than June 30, 2042. All principal on these obligations shall be payable from the Infrastructure Fund established in said section 20 of said chapter 29. Special obligation bonds issued under this section shall be special obligations of the commonwealth payable solely in accordance with said section 20 of said chapter 29.

SECTION 8. To meet the expenditures necessary in carrying out section 2B, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, \$735,000,000. All these bonds issued by the commonwealth shall be designated on their face, Highway Improvement Loan Act of 2007, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under

section 3 of Article LXII of the Amendments to the Constitution. All these bonds shall be payable not later than June 30, 2042. All interest and payments on account of principal on these obligations shall be payable from the Highway Fund. Bonds and interest thereon issued under this section shall, notwithstanding any other provisions of this act, be general obligations of the commonwealth; provided, however, that any bonds issued by the state treasurer under this section shall, upon the request of the governor, be issued as special obligation bonds pursuant to section 2O of chapter 29 of the General Laws. In deciding whether to request the issuance of particular bonds as special obligations the governor shall take into account: (i) generally prevailing financial market conditions; (ii) the impact of each approach on the overall capital financing plans and needs of the commonwealth; (iii) any ratings assigned to outstanding bonds of the commonwealth and any ratings expected to be assigned by any nationally-recognized credit rating agency to the bonds proposed to be issued; and (iv) any applicable provisions of chapter 29. All special obligation revenue bonds issued under this section shall be designated on their face, Special Obligation Revenue Highway Improvement Loan Act of 2007 and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All these bonds shall be payable not later than June 30, 2042. All principal on these obligations shall be payable from the Infrastructure Fund established in said section 2O of said chapter 29. Special obligation bonds issued under this section shall be special obligations of the commonwealth payable solely in accordance with said section 2O of said chapter 29.

SECTION 9. Notwithstanding any general or special law or provision of this act to the contrary, the secretary of administration and finance, on behalf of the water pollution abatement trust established by section 2 of chapter 29C of the General Laws, may transfer amounts authorized by section 5 of chapter 236 of the acts of 2002 and by item 0610-2365 of section 2 of this act to the Drinking Water Revolving Fund established by section 2QQ of chapter 29 of the General Laws for application by the trust to the purposes specified in section 18 of said chapter 29C, any portion of which may be used as a matching grant by the commonwealth to federal capitalization grants received under the Federal Safe Drinking Water Act, and may transfer amounts authorized by item 0610-8910 of section 2 of this act to the Water Pollution Abatement Revolving Fund established by section 2L of said chapter 29 for application by the trust to the purposes specified in section 5 of said chapter 29C, any portion of which may be used as a matching grant by the commonwealth to federal capitalization grants received under Title VI of the Federal Clean Water Act.

SECTION 10. Notwithstanding any general or special law to the contrary, in any case where an act authorizes the issuance of bonds for a maximum term of years, not exceeding 20 years, the maximum term of those bonds shall instead not exceed 30 years, as the governor may recommend under section 3 of Article LXII of the Amendments to the Constitution. Any date by which the bonds specified in the preceding sentence are required to be paid shall be extended by 10 years.

SECTION 11. (a) The state treasurer may, upon request of the governor, issue and sell refunding bonds of the commonwealth in an amount to be specified by the governor from time to time for the purpose of paying, at maturity or upon acceleration or redemption, any bonds then outstanding and issued by an entity other than the commonwealth under section 39I of chapter 190 of the acts of 1982, section 7 of chapter 16 of the acts of 1999 or section 6

of chapter 53 of the acts of 1999, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of maturity, acceleration or redemption of these bonds. The state treasurer shall not issue any such refunding bonds unless he finds that the present value, discounted at such rate as he considers appropriate, of the principal and interest payments due on the refunding bonds is less than the present value, discounted at such rate, of the principal and interest payments to be paid, from the proceeds of these refunding bonds and investment earnings thereon, on the bonds to be refunded. These refunding bonds may be issued at such time before the maturity, acceleration or redemption of the bonds to be refunded thereby that the state treasurer, with the approval of the governor, considers advisable. The issuance of these bonds, the security therefor, the maturities and other details thereof, the rights of the holders thereof and the rights, duties and obligations of the commonwealth with respect thereto shall be governed by the provisions of chapter 29 of the General Laws which relate to the issuance of bonds by the commonwealth, insofar as these provisions may be appropriate therefor. In connection with any issuance of refunding bonds under this section, the secretary of administration and finance and the other party or parties to the contract for financial assistance or to the lease agreement related to the bonds being refunded and the state treasurer may enter into amendments to the contract or lease agreement and any other documents that they consider necessary or desirable to effectuate the issuance of the bonds. Without limiting the generality of this section, the provisions of section 49 of chapter 29 of the General Laws applicable to sinking funds established with trustees shall apply to the deposit of refunding bond proceeds with a trustee, except that these proceeds shall be held for the benefit of the holders of the bonds to be refunded thereby. (b) Bonds and the interest thereon issued under this section shall be general obligations of the commonwealth and all bonds issued by the commonwealth under this section shall be designated on their face General Obligation Refunding Bonds, and shall be issued for such maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. The debt service on these refunding bonds shall be charged to the various budgeted funds of the commonwealth in proportion to the principal amounts being refunded.

(c) The state treasurer shall file a report with the house and senate committees on ways and means no later than 30 days after the sale of any refunding bonds issued under this section. This report shall include written documentation of compliance with this section, including, but not limited to, the issue or issues to be refunded, the projected dollar savings and the projected present value savings.

SECTION 12. (a) To meet the portions of the appropriations made under (i) section 2E of chapter 352 of the acts of 2004, except for items 4590-0916, 8000-0221 and 8100-0462, (ii) section 2A of chapter 122 of the acts of 2006, except for items 1599-3749 and 6033-0592, and (iii) section 2E of chapter 123 of the acts of 2006, except for items 7002-0045, 7003-1641, 7007-0333 and 7100-8181, which have not been expended as of the effective date of this section, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, \$243,000,000. All these bonds issued by the commonwealth shall be designated on their face, Capital Expenditure Act of 2007, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All these bonds shall be payable not later than June 30, 2042. All interest and payments on account of principal on these obligations shall be payable from the General Fund. Bonds and interest

thereon issued under this section shall, notwithstanding any other provisions of this act, be general obligations of the commonwealth.

(b) To provide for the defeasance of outstanding bonds of the commonwealth which the state treasurer determines will result in the greatest debt service savings to the commonwealth, an amount equal to the unexpended amount of the appropriations identified in subsection (a) of this section as of the effective date of this act shall be transferred to the state treasurer. The provisions of section 49 of chapter 29 of the General Laws applicable to sinking funds established with trustees shall apply to the deposit of this amount with a trustee, but this amount shall be held for the benefit of the holders of the bonds to be defeased therewith.

(c) The state treasurer shall file a report with the house and senate committees on ways and means no later than 30 days after the sale of the bonds issued under this section. This report shall include written documentation of compliance with this section, including, but not limited to, the bonds that have been defeased, the projected dollar savings resulting from the issuance of the bonds under this section and the defeasance of outstanding bonds under this section and the projected present value savings.

SECTION 13. Notwithstanding any general or special law to the contrary, the information technology division, in consultation with the operational services division, shall develop and adopt procedures to ensure an open and fair competitive process for the procurement of services and equipment funded under items 1790-2015, 1790-2016 and 1790-2017 of section 2. Within 60 days after the effective date of this act, the division shall submit these procedures to the comptroller for review and approval. The comptroller shall issue a report on these procedures to the chairmen of the house and senate committees on ways and means and to the chairmen of the joint committee on bonding, capital expenditures and state assets within 30 days after receiving these procedures. The comptroller's report shall certify that the procurement procedures for information technology services and equipment comply with state finance laws. The report shall also address the effect of those procurement procedures on the competitiveness of the bidding process.

SECTION 14. Section 12 of this act shall take effect on May 1, 2007.